

Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	45
4. Investment Name:	Filing and Payment Compliance (F&PC)
5. UPI:	015-45-01-14-01-4715-00
6. What kind of investment will this be in FY2008?	
Mixed Life Cycle	
7. What was the first budget year this investment was submitted to OMB?	
FY2004	
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.	
<p>The vision for Filing and Payment Compliance (F&PC) changed significantly in the past year, from a combination of budget prioritization decisions, re-planning of future releases, & experience gained with releases currently underway. Changes include: - Transferred FY2003 funds to speed development of Release 1.2; - Initiated independent cost estimate to validate R1.2 data; - Developed estimates for R1.2 "Maintenance Release"; Approval for inclusion of Release 1.2 Maintenance Release (& possible elimination of Release 1.3, Release 2.0, & Release 3.0 from the Exhibit 300) is being sought through Internal Revenue Service (IRS) Executive governance process. Once these decisions are approved, changes will be reflected in Table I.H.3.a, Proposed Re-Baseline, prior to Treasury submission of Exhibit 300 to Office of Management and Budget (OMB). Efforts are underway to gather data needed for comprehensive analysis of both the functionality delivered and workload associated with a potential R1.3. The Internal Revenue Service (IRS) may later determine that either Release 1.3 or Release 1.2M (or both) should remain in the F&PC Exhibit 300. F&PC will modernize IRS compliance activities by leveraging government & commercial best practices. Enhancements to work processes, organization, & technology will be achieved in an environment that ensures taxpayers' rights, confidentiality, & increased customer & employee satisfaction. F&PC's three (3) business goals are: 1) Identify & Resolve all balance-due & non-filer cases above a minimum threshold. 2) Shorten filing compliance life cycle to ensure more timely resolution. 3) Shorten average payment compliance life cycle to 6 months for non-enforcement cases. Improved technology, redesigned processes, and newly designed treatment streams will address the entire compliance issue. Release 1 will use Private Collection Agencies (PCA) to assist in collection of delinquent taxes to significantly reduce size & growth of delinquent tax backlog of Taxpayer Delinquent Accounts (TDA) & Taxpayer Delinquency Investigations (TDI). F&PC will deploy Commercial Off-The-Shelf (COTS) Software to support taxpayer's capability to resolve their cases with no direct IRS contact by providing various self-correct options. IRS Field staff & Collection Call Center staff will also be available to taxpayers who need assistance in resolving delinquent cases. As a result, taxpayers will be able to proactively choose how to interact with the IRS.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	
yes	
9.a. If "yes," what was the date of this approval?	
2006-08-09	
10. Did the Project Manager review this Exhibit?	
yes	
11. Project Manager Name:	
Ragano, Rob	
Project Manager Phone:	
202-283-5308	
Project Manager Email:	
Ragano.Robert@irs.gov	
12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.	

yes	
12.a. Will this investment include electronic assets (including computers)?	
yes	
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	
no	
13. Does this investment support one of the PMA initiatives?	
yes	
If yes, select the initiatives that apply:	
Financial Performance	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
Filing and Payment Compliance (F&PC) will help ensure that the government collects the taxes which are due, thus improving the financial performance of the government. The project will identify and better categorize taxpayers who have not met their tax obligations and Internal Revenue Service (IRS) will use Private Collections Agencies(PCA) to collect taxes owed.	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
no	
14.a. If yes, does this investment address a weakness found during the PART review?	
no	
15. Is this investment for information technology (See section 53 for definition)?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 2	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(1) Project manager has been validated as qualified for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
yes	
19. Is this a financial management system?	
no	
19.a.2. If no, what does it address?	
Tax law compliance and tax collection.	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	0
Software	0
Services	100
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
n/a	
22. Contact information of individual responsible for privacy related questions.	
Name	
Susan Dennis	
Phone Number	
202-622-5438	
Title	
Management and Program Analyst	

Email

susan.dennis@irs.gov

23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?

yes

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY
	-2005	2006	2007
Planning Budgetary Resources	36.297	0.000	0.000
Acquisition Budgetary Resources	19.241	28.062	16.536
Maintenance Budgetary Resources	0.000	0.000	0.000
Government FTE Cost	5.229	4.438	2.806
# of FTEs	48	40	25

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

3. If the summary of spending has changed from the FY2007 President's budget request, briefly explain those changes.

N/A

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

	Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the	Actual Results
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						Baseline	
1	2006	Technology	Load levels	Taxation Management	Will be set by actual results in FY06	Release 1.1 will deliver 40,000 cases to Private Collection Agencies (PCA) between 1/25/06 and 9/30/06	Private Collection Agencies (PCA) contract protest delayed the deliverer until 9/7/2006; 11,564 cases were delivered as of 9/30/2006.
2	2006	Processes and Activities	Costs	Costs	Will be set by actual results in FY06	Release 1.1 will complete all development and acquisition activities for a cost of \$9.75M	Accomplished - R1.1 development/acquisition activities totaled less than \$8.6M.
3	2006	Customer Results	Service Efficiency	Service Efficiency	Current service level in the IRS is 70%	Increase service level by a measure of 2% yearly. The measure of the total calls assisted divided by the total call attempts will be tabulated by the Private Collection Agencies (PCA) Management Information System (MIS)	
4	2006	Technology	Compliance and Deviations	Functionality	Will be set by actual results in FY06	Data testing for CPE and Computer Assisted Collection System for Government (CACS-G) will be completed by Nov 15 2005 with less than 5% error rate	CPE and Computer Assisted Collection System for Government (CACS-G) testing (for Release 1.1 Phase 1) was completed 12/28/2005 2.55% error rate
5	2007	Technology	Load levels	Taxation Management	Will be set by actual results	Release 1.2 will deliver 40,000 - 100,000 cases to Private Collection Agencies (PCA) between 10/01/06 and 9/30/07	N/A
6	2007	Processes and Activities	Cycle Time	Cycle Time	Will be set by actual results	Manual placement and verification process will decrease in cycle time	N/A

						required to close tax compliance cases by 25%	
7	2007	Customer Results	Service Efficiency	Service Efficiency	Current service level in the IRS is 70%	Increase service level by a measure of 2% yearly. The measure of the total calls assisted divided by the total call attempts will be tabulated by the Private Collection Agencies (PCA) Management Information System (MIS)	N/A
8	2007	Technology	Improvement	Functionality	Will be set by actual results	95% of all cases placed to Private Collection Agencies (PCA) will be done systemically, replacing manual processing	N/A

EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

1.a. If no, please explain why?

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2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

Filing and Payment Compliance (F&PC)

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Call Center Management	Skill based call routing to improve customer service levels	Customer Relationship Management	Call Center Management			No Reuse	0
2	Customer Analytics	Workflow prioritization and case selection based on customized scoring models	Customer Relationship Management	Customer Analytics			No Reuse	0
3	Customer / Account Management	Accept customer payment arrangement and provide self service capabilities	Customer Relationship Management	Customer / Account Management			No Reuse	0
4	Process Tracking	Workflow management capabilities to improve agent productivity	Tracking and Workflow	Process Tracking			No Reuse	0
5	Self-Service	Taxpayer established installment agreements	Customer Initiated Assistance	Self-Service			No Reuse	2
6	Case Management	Dynamic workflow processing including manual and automated decision making and management of approval authorities for specific actions or taxpayer cases.	Tracking and Workflow	Case Management			No Reuse	0
7	Inbound Correspondence Management	Case routing of inbound correspondence by type of inquiry	Routing and Scheduling	Inbound Correspondence Management			No Reuse	0
8	Outbound Correspondence Management	Customized correspondence work stream through business rules	Routing and Scheduling	Outbound Correspondence Management			No Reuse	3
9	Business Rule	Flexible business	Management	Business Rule			No Reuse	2

	Management	rule system containing audit and systemic edit logic to support testing / change control process.	of Processes	Management				
10	Mathematical	Supports manipulation / mathematical calculations in models / scorecards	Analysis and Statistics	Mathematical			No Reuse	0
11	Ad Hoc	Ad Hoc reporting capabilities utilizing Business Objects	Reporting	Ad Hoc			No Reuse	0
12	Standardized / Canned	Defined reports generated from Inventory Management System and Decision Analytics	Reporting	Standardized / Canned			No Reuse	0
13	OLAP	Data Query capabilities to support drill down of defined reports	Reporting	OLAP			No Reuse	1
14	Resource Planning and Allocation	Case selection and inventory management business rules to improve workload balancing and efficiency	Human Capital / Workforce Management	Resource Planning and Allocation			No Reuse	0
15	Skills Management	Skill based call routing to improve customer service levels	Human Capital / Workforce Management	Skills Management			No Reuse	0
16	Customer Feedback	Customer Satisfaction Survey reporting and trend analysis	Customer Relationship Management	Customer Feedback			No Reuse	1
17	Modeling	Calculates Risk Scores for use in case treatment selection	Knowledge Discovery	Modeling			No Reuse	0
18	Data Mart	Modeling / Data Analytics database	Data Management	Data Mart			No Reuse	0
19	Data Integration	Consolidates taxpayer case data into single authoritative	Development and Integration	Data Integration			No Reuse	2

		source						
20	Access Control	ID and Password access controls for authorized users	Security Management	Access Control			No Reuse	0
21	Task Management	Lien and Levy processing capabilities	Collaboration	Task Management			No Reuse	0
22	Surveys	Customer Satisfaction surveys for Taxpayers serviced by Private Collection Agencies (PCA)	Customer Relationship Management	Surveys			No Reuse	1
23	Simulation	Provides impact estimates of changes to models, scorecards and business rules prior to implementation of changes	Knowledge Discovery	Simulation			No Reuse	0
24	Configuration Management	Version controls for business rules, scorecards and scoring models	Management of Processes	Configuration Management			No Reuse	0
25	Email	Secure email capability to protect confidentiality of data	Collaboration	Email			No Reuse	0
26	Requirements Management	Trace ability Matrices to ensure we track requirements from identification to implementation	Management of Processes	Requirements Management			No Reuse	0
27	Program / Project Management	Oversight group for the management of Private Collection Agencies (PCA)	Management of Processes	Program / Project Management			No Reuse	25
28	Quality Management	Remote telephone monitoring and call evaluation for quality / compliance	Management of Processes	Quality Management			No Reuse	0
29	Information Retrieval	Database containing case information supporting Business	Knowledge Management	Information Retrieval			No Reuse	0

		Objects, defined reports, and ad-hoc analysis						
30	Information Sharing	Access to reports and data query capabilities by multiple authorized users from user desktops	Knowledge Management	Information Sharing			No Reuse	0
31	Knowledge Capture	Champion / Challenger tracking capabilities for evaluation of business strategies	Knowledge Management	Knowledge Capture			No Reuse	0
32	Demand Forecasting	Automated workflow management tools to control rate/volume of case placements to Private Collection Agencies (PCA)	Business Intelligence	Demand Forecasting / Mgmt			No Reuse	0
33	Data Warehouse	Storage of case level data for reporting and analytics	Data Management	Data Warehouse			No Reuse	0
34	Legacy Integration	Taxpayer data is passed to/from IRS Legacy Systems to/from Computer Assisted Collection System for Government (CACS-G)	Development and Integration	Legacy Integration			No Reuse	0
35	Enterprise Application Integration	Consolidates taxpayer case data into single authoritative source	Development and Integration	Enterprise Application Integration			No Reuse	0
36	Instrumentation and Testing	System edits and simulation capabilities ensure accuracy of changes to business rules / scorecards	Development and Integration	Instrumentation and Testing			No Reuse	0
37	Access Control	Identification (ID) and Password access controls for authorized users	Security Management	Access Control			No Reuse	0

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Email	Service Platform and Infrastructure	Support Platforms	Platform Independent	
2	Task Management	Service Platform and Infrastructure	Support Platforms	Platform Independent	
3	Data Integration	Service Platform and Infrastructure	Support Platforms	Platform Dependent	
4	Legacy Integration	Service Platform and Infrastructure	Support Platforms	Platform Dependent	
5	Data Integration	Service Platform and Infrastructure	Delivery Servers	Web Servers	
6	Surveys	Service Platform and Infrastructure	Delivery Servers	Web Servers	
7	Business Rule Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	
8	Process Tracking	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	
9	Inbound Correspondence Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	
10	Outbound Correspondence Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	
11	Resource Planning and Allocation	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	
12	Configuration Management	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	
13	Knowledge Capture	Service Platform and Infrastructure	Software Engineering	Software Configuration Management	
14	Mathematical	Service Platform and Infrastructure	Software Engineering	Modeling	
15	Modeling	Service Platform and Infrastructure	Software Engineering	Modeling	
16	Simulation	Service Platform and Infrastructure	Software Engineering	Modeling	
17	Data Warehouse	Service Platform and Infrastructure	Database / Storage	Database	

18	Standardized / Canned	Service Platform and Infrastructure	Database / Storage	Database	
19	Information Retrieval	Service Platform and Infrastructure	Database / Storage	Database	
20	Information Sharing	Service Platform and Infrastructure	Database / Storage	Database	
21	Data Mart	Service Platform and Infrastructure	Database / Storage	Storage	
22	Data Warehouse	Service Platform and Infrastructure	Database / Storage	Storage	
23	Identification and Authentication	Component Framework	Security	Certificates / Digital Signatures	
24	Requirements Management	Component Framework	Presentation / Interface	Static Display	
25	Demand Forecasting / Mgmt	Component Framework	Presentation / Interface	Static Display	
26	Instrumentation and Testing	Component Framework	Presentation / Interface	Static Display	
27	OLAP	Component Framework	Data Management	Reporting and Analysis	
28	Ad Hoc	Component Framework	Data Management	Reporting and Analysis	
29	Program / Project Management	Component Framework	Data Management	Reporting and Analysis	
30	Program / Project Management	Service Interface and Integration	Integration	Middleware	
31	Access Control	Service Interface and Integration	Integration	Middleware	
32	Enterprise Application Integration	Service Interface and Integration	Integration	Enterprise Application Integration	
33	Call Center Management	Service Interface and Integration	Interoperability	Data Format / Classification	
34	Customer / Account Management	Service Interface and Integration	Interoperability	Data Format / Classification	
35	Skills Management	Service Interface and Integration	Interoperability	Data Format / Classification	
36	Quality Management	Service Interface and Integration	Interoperability	Data Format / Classification	
37	Customer Analytics	Service Interface and Integration	Interoperability	Data Format / Classification	
38	Self-Service	Service Interface and Integration	Interoperability	Data Format / Classification	
39	Customer Feedback	Service Interface and Integration	Interoperability	Data Format / Classification	
40	Case Management	Service Interface and Integration	Interoperability	Data Format / Classification	

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

yes

5.a. If yes, please describe.
The project will leverage the Financial Management System's credit card processing system, so the taxpayers will be able to pay their delinquent taxes using a credit card.
6. Does this investment provide the public with access to a government automated information system?
yes
6.a. If yes, does customer access require specific software (e.g., a specific web browser version)?
no
PART TWO
RISK
You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.
Answer the following questions to describe how you are managing investment risks.
1. Does the investment have a Risk Management Plan?
yes
1.a. If yes, what is the date of the plan?
2006-04-20
1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?
no
3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)
Investment risks are considered during cost estimation and the life cycle cost estimates are risk-adjusted accordingly.
COST & SCHEDULE
Does the earned value management system meet the criteria in ANSI/EIA Standard 748?
no
2.a. What is the Planned Value (PV)?
57.744
2.b. What is the Earned Value (EV)?
57.744
2.c. What is the actual cost of work performed (AC)?
60.466
What costs are included in the reported Cost/Schedule Performance information?
Contractor and Government
2.e. As of date:
2006-09-30
3. What is the calculated Schedule Performance Index (SPI= EV/PV)?
1
4. What is the schedule variance (SV = EV-PV)?
0.000
5. What is the calculated Cost Performance Index (CPI = EV/AC)?
0.95
6. What is the cost variance (CV = EV-AC)?
-2.722
7. Is the CV or SV greater than 10%?

no
<i>7.c. If yes, what corrective actions are being taken?</i>
Corrected "Percent Complete" error; variances are now within 10%.
<i>7.d. What is most current Estimate at Completion?</i>
436.255
<i>8. Have any significant changes been made to the baseline during the past fiscal year?</i>
no